



Project #: 527-A-00-03-00073-00  
Reporting Period: October – November 2004<sup>1</sup>  
SO13

## I. Summary of Activity Status and Progress

### a. *Introductory paragraph*

During this report period, WWF-Peru continued to provide technical assistance to 04 concessionaires as well as local communities interested in secondary forest management. Capacity building activities were implemented to enhance concessionaires' business management and local forestry technicians' field skills. In addition, WWF-Peru has identified growing interest among local communities in alternative ways to sustainably harvest forest resources. Assistance was provided recently to implement general inventories for local forests in 03 communities as a pre-requisite for management plan development. Technicians also facilitated the completion of 02 detailed forest inventories in order to elaborate Annual Operating Plans. Local forests, as well as reforestation and agroforestry activities, offer alternative sources of income for local communities participating in the coca eradication program. In the short term, temporary labor days are generated, and in the long term, a source of timber that can be sold.

### b. *Highlights*

- **Four (04) detailed forest inventories** were implemented of a total area of 3,082 hectares corresponding to the concessionaires EFASAC (477 ha), Von Humboldt (996 ha), Consorcio Wood Fine Forest (727 ha) and World Green Peru (882 ha). **Eighty individuals** from nearby communities were **employed** during these activities.
- WWF-Peru continues to support the establishment and management of local forests as an economically viable activity to generate income for communities. During the report period, requests for the **establishment of local forests** (of 500 ha each) in **05 different communities** were presented to INRENA. Local forest harvesting will benefit **248 families**.
- WWF-Peru, in collaboration with the Peruvian Society for Eco-Development (SPDE), continues to promote agroforestry systems in local communities who have signed agreements to eradicate coca. During the report period, **35 agroforestry plots** were installed on approximately 35 hectares. A total of **1,086 temporary labor days** were generated in agroforestry activities.

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<sup>1</sup> This report does not conform to the regular quarterly period because the project was officially closed on November 30, 2004. Report prepared by Mariel Reyes ([mariel@wwfperu.org.pe](mailto:mariel@wwfperu.org.pe)) and Diego Leslie ([diego@wwfperu.org.pe](mailto:diego@wwfperu.org.pe)).

**c. Table of Activity Status**

<b>Activity Number</b>	<b>Activity Title</b>	<b>Status</b>	<b>Page number for more information</b>
1	Sustainable Forest Management in the Von Humboldt Forest Concessions: full forest inventories (100%), implementation of forest management plans, and forest roads	On-track	2
2	Buffer Zone Primary Forest Protection: the Von Humboldt Green Belt ("Franja Verde")	On-track	4
3	Community-based Secondary Forest Management, Agroforestry Systems and Local Forests	On-track	5
4	Von Humboldt-Aguaytía Small Loan Financial Service	On-track	7

**II. Detailed Description of Site Progress**

**a. Key short and long-term program objectives for the site.**

This project aims to achieve the following key objectives:

1. Prevent and mitigate coca cultivation within forest concessions located in Von Humboldt permanent production forest and their influence areas.
2. Create alternate income sources and employment opportunities not dependent on the illicit production of coca or illegal logging. Sustainable timber or agroforestry production must become viable economic alternatives and create enough incentive for coca producers and illegal loggers to voluntarily stop their current practices.
3. Contribute to the conservation of primary forest in the Von Humboldt permanent production forests and stabilize deforestation and soil degradation caused by migratory slash-and-burn agriculture in secondary forests in the area.
4. Support the improvement of forest control systems and reduce illegal logging in the province of Padre Abad.
5. Provide training and comprehensive instruction to key players in the pilot project area regarding all critical facets of forest product businesses and sustainable forest management, based on FSC principals and criteria.
6. Facilitate resource poor farmer and micro-enterprise access to short-term capital in the form of revolving funds in order to support their transition to modernized systems of forest use and to support long-term, sustainable business activities that do not rely on illicit coca production or illegal logging.

**b. Activity Description**

**i. Activity Title : Sustainable Forest Management in the Von Humboldt Forest Concessions: full forest inventories (100%), implementation of forest management plans, and forest roads**

**ii. Summary of major achievements and progress**

- Capacity building was provided to the 04 forest enterprises in operational and administrative management issues. The objective of the training was to strengthen the concessionaires' ability to implement their business plans and comply with business agreements with buyers, necessary pre-

requisites to obtain forest and chain of custody certification. In addition, WWF-Peru monitored and supported the implementation of the business plan between the concessionaire EFASAC and timber buyer GEA. WWF-Peru acts as the bridge between EFASAC and GEA, providing information about mobilized volumes and dates of delivery. EFASAC is committed to delivering a monthly supply of 7,000 board feet of *Panguana* to GEA. Due to climatic conditions during this period, EFASAC experienced delays in timber harvesting and mobilization. During the coming dry season, deliveries of the species *Panguana* to GEA will be resumed according to schedule.

- WWF-Peru continues implementing capacity building activities for forest concessionaires as well as field personnel as needed. A total of 76 new technicians from the nearby communities received training in activities related to the elaboration of detailed forest inventories. During three days in the field, they were instructed on how to establish paths, use compasses and other field equipment, and identify various forest species.
- Four (04) detailed forest inventories were implemented of a total area of 3,082 hectares corresponding to the concessionaires EFASAC (477 ha), Von Humboldt (996 ha), Consorcio Wood Fine Forest (727 ha) and World Green Peru (882 ha). Eighty individuals from nearby communities were employed during these activities. During this period no timber was mobilized, however, 121,133 m<sup>3</sup> were approved for mobilization during the quarter.
- WWF-Peru provided support for the institutional strengthening of the Padre Abad Concessionaires' Association. The association recently opened an office and was able to furnish it with the necessary infrastructure. The organization's goal is to promote the sustainable management of forest resources in the area through capacity building of its members in the different legal ways to access and harvest the forest resources.
- Conflict resolution efforts continued between indigenous community Puerto Azul and forest concessions EFASAC and PWGP. A commission with representatives of INRENA, the Public Welfare Institute (IBC) and PETT was formed to discuss proceedings with the community. The community had submitted a request to enlarge its territory apparently before the concessions were awarded.

Benchmark Number	Benchmark/Output	Status
1.1	100% Forest Inventories 2003	Completed
1.1.1	Development and implementation of participatory planning process for forest inventories	Completed
1.1.2	Forest brigades implement preliminary field work for forest inventories	Completed
1.1.3	Data collected and processed, cartographic information developed and georeferencing complete	Completed
1.1.4	Annual Operating Plans submitted to INRENA and approved	On-track

iii. **Table of progress in meeting key activity benchmarks**

1.2	<b>Development and Implementation of Forest Management Plans</b>	
1.2.1	Forest Management Plans designed in a participatory manner	Completed
1.2.2	Forest harvest carried out according to low impact practices	On-track
1.2.3	Environmental impact mitigation plan developed	On-track
1.2.4	Establishment and implementation of three control posts in Von Humboldt permanent production forests, in close collaboration with INRENA	On-track
1.2.5	Forest Management Plans submitted to INRENA and approved	Complete
1.3	<b>Forest Road Network</b>	
1.3.1	Design of forest road network and improvement of key access ways and skid trails	On-track
1.3.2	Development and implementation of monitoring and evaluation system to measure the effectiveness of mitigation measures for forest roads, based on environmental impact mitigation plan	On-track

#### iv. Key management issues

During this report period there have been problems in obtaining information on timber mobilization due to personnel changes in INRENA (National Institute of Natural Resources). While concessionaires are obvious sources of information regarding timber sales, it is necessary to cross their report with the official data from the State.

The onset of the rainy season resulted in a virtual suspension of concessionaires' activities. Inclement weather makes most access roads impassable, impeding timber mobilization. Weather conditions are obstacles in concessionaires' ability to comply with business agreements with timber buyers who expect a continuous supply from the concession.

#### i. Activity Title : Buffer Zone Primary Forest Protection: the Von Humboldt Green Belt ("Franja Verde")

#### ii. Summary of major achievements and progress

- Von Humboldt Green Belt activities focused on the maintenance of tree plantations of fast-growing *bolaina* and *capirona* species. While social conflicts had postponed the planting of an additional 15 km, recent breakthroughs have facilitated the demarcation of an additional 4.3 km and reforestation of 0.6 km. The remaining 3.7 km are occupied by agricultural crops. A total of 505 temporary labor days were generated in activities related to the Green Belt. Tree nurseries housing approximately 23,000 saplings for reforestation efforts were maintained in the communities of San Alejandro and Barrio Unido.
- Supporting the implementation of the action plan of the Aguaytía Forest Management Committee, WWF-Peru facilitated the furnishing of the committee's office with necessary equipment. As part of

the plan, the committee will implement measures to combat illegal logging and promote sustainable resource management.

**iii. Table of progress in meeting key activity benchmarks**

<b>Benchmark Number</b>	<b>Benchmark/Output</b>	<b>Status</b>
2.1	<b>Land Tenure Conflict Resolution and Boundary Demarcation Carried Out in the Forest Concessions</b>	
2.1.1	Participatory demarcation of the “Green Belt”, verification in the field, and INRENA approval secured	Complete
2.1.2	Data collected regarding land tenure claims and legal rights, including field verification, and legal processes completed to resolve conflicts	Complete
2.2	<b>Institution of Forest Management Committees and Participatory Forest Management</b>	
2.2.1	Establishment of Forest Management Committee for the Aguaytía River Basin, consisting of forest concessionaires and relevant local players	Complete
2.2.2	Implementation of a capacity building program directed towards grassroots community groups	Complete
2.3	<b>Implementation of Reforestation Program</b>	
2.3.1	Design and implementation of reforestation and management program in the buffer zone, in collaboration with forest management committees and other local players	Complete
2.3.2	Implementation of capacity building workshops necessary for reforestation program implementation	Complete

**iv. Key management issues**

Of the total proposed extension of the Green Belt, until recently, 15 kilometers had remained untouched by intervention efforts, due to the unresolved social obstacles with the communities. WWF-Peru successfully installed the Green Belt in all communities that have signed agreements to eradicate coca. The forced exclusion of communities that do not participate in the coca eradication program has resulted in a Green Belt with gaps, and in some cases, increased social tension towards WWF-Peru personnel and project beneficiaries. Nonetheless, advances have been made during the last report period, with an additional 4.3 kilometers of the Green Belt with its limits now defined. To date, a total of 64.85 km have been completed, of which 21.46 count with plantations.

**i. Activity Title : Community-based Secondary Forest Management, Agroforestry Systems and Local Forests**

**ii. Summary of major achievements and progress**

- WWF-Peru continues to support the establishment and management of local forests as an economically viable activity to generate income for communities. During the report period, requests for the establishment of local forests (of 500 ha each) in 05 different communities were presented to INRENA. Local forest harvesting will benefit 248 families. The 05 dossiers presented for these requests contain information related to the forest's potential as well as the administrative elements for its long-term viability.
- General inventories for local forests in 03 communities – Nueva Unión Palomino, Nueva Florida and Alto Shanbillo – were conducted as a pre-requisite for management plan development. Technicians also facilitated the completion of 02 detailed forest inventories in order to elaborate Annual Operating Plans. A total of 221 temporary labor days were generated with activities related to local forest establishment, and 248 families were benefited.
- WWF-Peru, in collaboration with the Peruvian Society for Eco-Development (SPDE), continues to promote agroforestry systems in local communities who have signed agreements to eradicate coca. During the report period, 35 agroforestry plots were installed on approximately 35 hectares. Evaluations of previously established plots were carried out to determine required silvicultural work and maintenance activities. The latter were carried out in tree nurseries containing 26,000 saplings in the communities of Nuevo Ucayali and Pampa Yurac. During this period, a total of 1,086 temporary labor days were generated in agroforestry activities.
- Advances were also recorded in the establishment of reforestation concessions during this period. Requests to establish concessions were presented to INRENA by the communities of Nuevo Huanuco and Hidayacu. These activities generated 54 temporary labor days during the report period.
- Promoting sustainable forest management among private landowners, WWF-Peru assisted in the completion of 04 detailed forest inventories of agricultural plots to obtain permission from INRENA for forest harvesting. A total of 42 temporary labor days were generated through these activities.

### iii. Table of progress in meeting key activity benchmarks

Benchmark Number	Benchmark/Output	Status*
3.1	<b>Development of detailed vegetation cover, forest potential, and land use change characterizations and analyses for the project area most impacted by coca cultivation</b>	On-track
3.2	<b>Secondary forest and agroforestry systems management</b>	
3.2.1	Design of long-term forest development plan for the San Alejandro and Aguaytía area, which considers land use planning, necessary services for the area, and potential local markets	Pending
3.2.2	Implementation of forest inventories, forest harvest using improved infrastructure, and reforestation plan	On-track
3.3	<b>Local Forest Management</b>	
3.3.1	Local forest target sites identified, selected, and verified in the field	Complete

3.3.2	Development and implementation of training and awareness raising strategies targeting local communities and governments	On-track
3.3.3	Forest Management Plans developed, approved by INRENA, and implemented in local forests	On-track

**iv. Key management issues**

During this period, INRENA's delay in reviewing and approving General Forest Management Plans for local forest management challenged WWF-Peru's progress in the field. Technical assistance therefore must be accompanied by awareness raising of sustainable forestry benefits so as to provide adequate incentives to the local population. It is also important that the communities take an active role in making the formal request of INRENA so that they understand the reason behind the delays in forest harvesting.

**i. Activity Title: Von Humboldt-Aguaytía Small Loan Financial Service**

**ii. Summary of major achievements and progress**

- To assist resource-poor farmers and micro-enterprises in accessing short term capital, WWF-Peru is working in close collaboration with the Caja Rural de San Martín (CRSM) in the implementation of a financial services mechanism. During the report period, WWF-Peru monitored the progress of previous loan disbursements to the concessionaires EFASAC and World Green Peru.
- Additionally, through the CRSM the Von Humboldt – Aguaytía Trust Fund has given a total of four loans as capital for labor and for the acquisition of machinery and equipment. The concessionaire Aguajal SAC - EFA SAC received US\$ 6,105 to invest in labor capital and a second loan to purchase a caterpillar tractor and a truck for a total of US\$ 44,000. Likewise, concessionaire Project World Green Peru SAC – PWGP SAC received a loan for labor capital of US\$ 4,943 and another loan for the purchase of a forest tractor, a caterpillar tractor and a truck totaling US\$ 70,000.

**iii. Table of progress in meeting key activity benchmarks**

<b>Benchmark Number</b>	<b>Benchmark/Output</b>	<b>Status*</b>
4.1	<b>Design and Implementation of Small Loan Financial Service Mechanism</b>	
4.1.1	Design of participatory small loan financial service mechanism, including financial sustainability plan	Complete
4.1.2	Promotion and establishment of small loan financial service	Complete
4.2	<b>Monitoring and Supervision of Small Loan Financial Service</b>	
4.2.1	Design and implementation of monitoring and supervision system	On-track

4.2.2	Design and implementation of training plan in support of credit system	On-track
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**iv. Key management issues**

There are no management issues to report during this period.